

ORIGINAL

OPEN MEETING

MEMORANDUM



0000152933

TO: THE COMMISSION

Arizona Corporation Commission

DOCKETED

RECEIVED

FROM: Utilities Division

APR 21 2014

2014 APR 21 P 4 30

DATE: April 21, 2014

DOCKETED BY

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

RE: SOUTHWEST TRANSMISSION COOPERATIVE, INC.'S APPLICATION TO EXTEND EXPIRATION FOR CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY GRANTED IN DOCKET NO. L-00000CC-11-0127-00161, CASE NO. 161, DECISION NO. 72447 (JUNE 28, 2011)

Background

On June 28, 2011, a Certificate of Environmental Compatibility ("CEC") was approved in Decision No. 72447, which authorized Southwest Transmission Cooperative, Inc. ("SWTC") to rebuild the approximately 12 mile long 115 kV Marana Tap to Sandario Tap transmission line ("Project"). SWTC indicates this Project is needed to support future electric system growth as well as to allow SWTC to accommodate single contingency outage scenarios as studied under the North American Electric Reliability Corporation Planning Standards criteria. The CEC granted a three-year time frame for construction of the Project by June 28, 2014.

On March 21, 2014, SWTC filed a request for an extension of time to July 16, 2018 for the completion of the Project. SWTC indicates that all but 0.2 miles of the Project has been completed and SWTC is committed to completing the remainder of the Project.

Staff's Analysis and Recommendation

The Utilities Division Staff ("Staff") has reviewed SWTC's request for an extension of time for the Project. Staff also reviewed and discussed with SWTC its Ten Year Transmission Plan ("Plan") filed on January 30, 2014. In that plan, SWTC notes that an alternative to rebuilding the remaining 0.2 miles of line, which is the tap line from the Western Area Power Administration's ("Western") Saguaro to Tucson 115 kV line to Marana substation, is under consideration. That alternative would loop Western's line into Marana substation, which could provide additional reliability benefits. Looping in Western's line to Marana is an alternative only to the remaining 0.2 miles of the Project, not to the entire 12 mile Project. SWTC notes in its Plan that progress on this alternative has not yet reached a point that a definitive in-service date can be set.

Staff agrees with SWTC's choice to delay rebuilding of the 0.2 mile tap to Marana until work is completed by SWTC and Western on evaluating the loop in of Western's line into the Marana substation. However, given SWTC's indication in its Application that this Project is needed in part to accommodate system failures under first contingency scenarios without unnecessary disruptions of service, Staff believes an extension of two years instead of four years would be more appropriate. If, prior to that, SWTC and Western have agreed to loop the Western line into Marana, SWTC will

THE COMMISSION

April 21, 2014

Page 2

need to amend this subject CEC. If not, and SWTC has not completed the rebuild of the 0.2 mile of line, SWTC can request another extension at that time.

Considering these circumstances, Staff recommends a time extension for this CEC from June 28, 2014 to June 28, 2016.

A handwritten signature in black ink, appearing to read 'Steven M. Olea', with a long horizontal stroke extending to the right.

Steven M. Olea
Director
Utilities Division

SMO:EFS:sms/CHH

ORIGINATOR: Edward F. Stoneburg

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 **COMMISSIONERS**

3 BOB STUMP - Chairman

4 GARY PIERCE

5 BRENDA BURNS

6 BOB BURNS

7 SUSAN BITTER SMITH

8 IN THE MATTER OF THE APPLICATION
9 OF SOUTHWEST TRANSMISSION
10 COOPERATIVE, INC., OR ITS ASSIGNEES,
11 FOR A CERTIFICATE OF
12 ENVIRONMENTAL COMPATIBILITY FOR
13 THE MARANA TAP TO SANDARIO TAP
14 TRANSMISSION LINE REBUILD
15 PROJECT LOCATED IN PIMA COUNTY,
16 ARIZONA.

DOCKET NO. L-00000CC-11-0127-00161

CASE NO. 142

ORDER MODIFYING DECISION NO. 72447

ORDER

17 Open Meeting
18 May 13 and 14, 2014
19 Phoenix, Arizona

20 **BY THE COMMISSION:**

21 **FINDINGS OF FACT**

22 1. On March 21, 2014, Southwest Transmission Cooperative, Inc. ("SWTC" or
23 "Company") filed with the Arizona Corporation Commission ("Commission") a request
24 ("Application") for an extension of time to construct facilities authorized by the Certificate of
25 Environmental Compatibility ("CEC") approved in Decision No. 72447 (June 28, 2011).

26 2. Decision No. 72447 approved a CEC granted by the Arizona Power Plant and
27 Transmission Line Siting Committee for SWTC to rebuild an approximately 12 mile 115kV
28 transmission line that connects the Marana Tap with the Sandario Tap ("Project").

29 3. In the Application, the Company states the purpose of the Project is to support
30 future electric system growth as well as to allow SWTC to accommodate single contingency
31 outage scenarios as studied under the North American Electric Reliability Corporation Planning
32 Standards criteria.

33 ...

34 ...

1 4. The CEC grants a three year period to construct approved facilities. Based upon the
2 date of approval, the CEC will expire on June 28, 2014.

3 5. In its Application, the Company requests an extension of time to construct the
4 transmission project until July 16, 2018. SWTC asserts that the Project is still needed to support
5 future system growth as well as to accommodate system failures without unnecessary disruptions
6 to service. SWTC further states that a segment of the existing transmission line is currently at
7 capacity and will not be able to carry additional loads without failure under certain circumstances
8 involving an outage elsewhere on the system.

9 6. The Company's Application also states that most portions of the Project are already
10 completed. Only the 0.2 mile portion connecting the SWTC's Marana substation to Western Area
11 Power Authority's ("WAPA") Saguaro to Rattlesnake 115 kV transmission line remains to be
12 completed.

13 7. Staff reviewed the Company's Application and SWTC's January 30, 2014 Ten Year
14 Transmission Plan ("Plan"). In the Plan, SWTC notes that an alternative to rebuilding the
15 remaining 0.2 mile portion of the Project is under consideration. That alternative would loop
16 WAPA's line into Marana substation, which could provide additional reliability benefits. SWTC
17 notes in its Plan that progress on this alternative has not yet reached a point that a definitive in-
18 service date can be set.

19 8. In its Staff Memorandum evaluating the Application, Staff agrees with SWTC's
20 choice to delay rebuilding of the 0.2 mile tap to the Marana Tap until SWTC and WAPA complete
21 evaluating the loop in of WAPA's line into the Marana substation.

22 9. Staff likewise states that the alternative of looping in Western's line to Marana has
23 no impact on the need to rebuild the remaining approximately 11.8 miles of the SWTC line, but
24 simply changes how the Marana substation is connected to Western's Saguaro to Tucson line.

25 10. Although Staff agrees that a delay in the construction of the Project is appropriate,
26 Staff believes that given SWTC's indication in its Application that this Project is needed in part to
27 accommodate system failures under first contingency scenarios without unnecessary disruptions of
28 service, an extension of two years instead of four years would be more appropriate. Staff goes on

1 to explain that if prior to that SWTC and Western have agreed to loop the Western line into
2 Marana, SWTC will need to amend this subject CEC. If not, and SWTC has not completed the
3 rebuild of the 0.2 mile of line, SWTC can request another extension at that time.

4 11. Staff therefore recommends approval of the requested extension from June 28, 2014
5 to June 28, 2016.

6 **CONCLUSIONS OF LAW**

7 1. The Commission has jurisdiction over Southwest Transmission Cooperative, Inc.
8 and over the subject matter herein pursuant to Article XV of the Arizona Constitution and A.R.S.
9 §§ 40-252 and -360 *et seq.*

10 2. Notice of the proceeding and an opportunity to be heard has been given in the
11 manner prescribed by law.

12 3. The Commission, having reviewed the request and considered the matter, finds that
13 it is in the public interest to amend Decision No. 72447 to grant the extension of time to construct
14 the Project until June 28, 2016.

15 ...

16 ...

17 ...

18 ...

19 ...

20 ...

21 ...

22 ...

23 ...

24 ...

25 ...

26 ...

27 ...

28 ...

ORDER

IT IS THEREFORE ORDERED that Decision No. 72447 is modified to extend the time to construct the Project until June 28, 2016.

IT IS FURTHER ORDERED that all other conditions of the CEC, as adopted by Decision No. 72447 shall remain in effect.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION

CHAIRMAN

COMMISSIONER

COMMISSIONER

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, JODI JERICH, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this _____ day of _____, 2014.

JODI JERICH
EXECUTIVE DIRECTOR

DISSENT: _____

DISSENT: _____

SMO:EFS:sms\CHH

SERVICE LIST FOR: Southwest Transmission Cooperative, Inc.
DOCKET NO. L-00000CC-11-0127-00161

John Foreman, Chairman
Arizona Power Plant and Transmission
Line Sitting Committee
Office of Attorney General
1275 West Washington Street
Phoenix, Arizona 85007

Michael M. Grant
Gallagher and Kennedy P.A.
2575 East Camelback Road
Suite 1100
Phoenix, AZ 85016
Counsel for Applicant, SW Transco

Mr. Steven M. Olea
Director, Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Ms. Janice M. Alward
Chief Counsel, Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Ms. Lyn Farmer
Chief Administrative Law Judge, Hearing Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007